

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 COME-00 SAJ-01 CIAE-00 DODE-00

INR-07 NSAE-00 PA-01 USIA-06 PRS-01 SP-02 OMB-01 /039 W

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R 051040Z FEB 76

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 6720

INFO AMCONSUL LENINGRAD

AMEMBASSY MOSCOW

AMEMBASSY WARSAW

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E.O. 11652: N/A

TAGS: ETRD, EEWT, UR, PL, SW

SUBJECT: SWEDISH HOTEL CONSTRUCTION PLANS IN USSR AND POLAND

REF: (A) 75 STATE 265651, (B) 74 STOCKHOLM 3815

1. SUMMARY. SWEDISH FIRM SKANSKA CEMENT HAS SIGNED CONTRACT WITH SOVIET FOREIGN TRADE ORGANIZATION FOR CONSTRUCTION OF LARGE HOTEL IN LENINGRAD; CONSTRUCTION OF HOTELS IN MOSCOW AND KIEV ARE UNDER NEGOTIATION. SIAB AB, A LARGE SWEDISH FIRM, ALSO IS NEGOTIATING FOR HOTEL CONSTRUCTION IN SOVIET UNION, TOGETHER WITH RAMADA INNS. IN POLAND, SKANSKA CEMENT HAS COMPLETED ONE HOTEL AND HAS CONTRACT FOR TWO MORE. END SUMMARY.

2. SEVERAL SWEDISH FIRMS ARE NEGOTIATING WITH SOVIET FOREIGN TRADE ORGANIZATION (SOJUZVNESH-STROYIMPORT) FOR CONSTRUCTION OF HOTELS IN SOVIET UNION. SKANSKA CEMENT PUBLIC RELATIONS DIRECTOR (OLLE JOHANSSON) HAS CONFIRMED TO EMBOFF A CONTRACT SIGNED 31 DECEMBER 1975 OF A LARGE HOTEL IN LENINGRAD, DETAILS OF WHICH ARE CORRECTLY SUMMARIZED IN MOSCOW 107. SCHEDULED DATE OF HOTEL COMPLETION IS OCT. 31, 1978. JOHANSSON SAID SIGNING DATE WAS DICTATED BY FACT SWEDISH SKANDINAV-
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ISKA ENSKILDA BANK HAD PLACED DEADLINE ON FINANCING

COMMITMENT. SKANSKA CEMENT IN-HOUSE BROCHURE STATES LENINGRAD HOTEL WILL BE FIRST-CLASS BY INTERNATIONAL STANDARDS, CERTAIN LARGE BANQUET HALL TO ACCOMMODATE 3,000 GUESTS, AS WELL AS RESTAURANT AND OTHER DINING AREAS. SOVIET INTOURIST WILL MANAGE THE HOTEL. DESIGNER-ARCHITECT IS BARANOV, A RUSSIAN. JOHANSSON WAS NOT FAMILIAR WITH NEGOTIATING DIFFICULTIES BUT OFFERED TO ARRANGE MEETING FOR EMBOFF TO SEE INTERNATIONAL DIRECTOR STATIONED IN MALMO IN SOUTH SWEDEN. INTERCONTINENTAL HOTEL CORPORATION IS NOT INVOLVED IN CONTRACT. SKANSKA IS NEGOTIATING WITH SOVIET AUTHORITIES FOR CONSTRUCTION OF SOMEWHAT SMALLER HOTELS IN MOSCOW AND KIEV BUT STATUS WAS NOT AVAILABLE.

3. SKANSKA CEMENT, ACCORDING TO JOHANSSON, ALSO NEGOTIATED A CONTRACT SOME YEARS AGO WITH THE POLISH TOURIST ORGANIZATION (ORBIS) FOR CONSTRUCTION OF THREE HOTELS. HOTEL FORUM WHICH HAS 750 ROOMS AND IS 33 STORIES HIGH HAS BEEN COMPLETED. A SECOND HOTEL, DETAILS OF WHICH ARE NOT AVAILABLE, IS SCHEDULED FOR COMPLETION IN NEAR FUTURE.

4. OFFICIAL OF SIAB AB, A LARGE SWEDISH CONSTRUCTION FIRM, INFORMED EMBOFF THAT FIRM WAS NEGOTIATING WITH BOTH RAMADA INN AND SOVIET AUTHORITIES TO BUILD ONE OR MORE HOTELS IN SOVIET UNION. NEGOTIATIONS HOWEVER WILL TAKE SOME TIME ACCORDING TO THE SOURCE.

5. BPA BYGGPRODUKTION AB, WHICH IS OWNED BY THE SWEDISH TRADE UNION LO, REPORTEDLY IS ALSO NEGOTIATING FOR BUILDING OF HOTELS IN EAST BLOC AREAS. STATUS WAS UNAVAILABLE.

6. BASED ON AVAILABLE INFORMATION, SOVIET AUTHORITIES IN NEGOTIATING FOR HOTEL CONSTRUCTION ARE SEEKING CONTRACTS ON A TURNKEY BASIS WITH SWEDISH BUILDER SUPPLY MATERIAL, LABOR AND FINANCING. SKANSKA CEMENT SOURCE THOUGHT SOVIET AUTHORITIES DO NOT WISH TO SHARE HOTEL MANAGEMENT WITH FOREIGN OPERATORS. STRAUSS-HUPE'
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